

Cardinal CSD/Cardinal Support Personnel Assn. 2005-2006
CEO 781
SECTOR 3

In the matter of
Fact-Finding between;

CARDINAL CSD

*REPORT OF FACT-FINDER
*PERB - CEO#781, SECTOR 3

And

CARDINAL SUPPORT PERSONNEL ASSOCIATION

ARBITRATOR MARLA A. MADISON

REPORT DATE: JUNE 12, 2006

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HEARING AND APPEARANCES

On Thursday, May 25, 2006, I conducted a fact-finding hearing between Cardinal School District and the Cardinal Support Personnel Association. The hearing was held at the Cardinal middle school building in Eldon, IA between the hours of 5:00 p.m. and 8:20 p.m.. This hearing follows the direction of the Iowa Public Employment Relations Act.

Representative for the District: Arnie Snook, Superintendent

Representatives for the Association: Betty Fuller, Iowa State Education Association
Budget Specialist
Carol Hauptert, ISEA, Uniserve Director

Both parties presented packaged exhibits. Within the packages, exhibits were individually numbered, and these numbered pieces of their exhibits will be referred to as numbered by the parties. After brief opening statements, it was agreed that the district would be the first presenter. Hearing date was set two months in advance, giving the parties ample time for preparation. During the hearing, the parties were given full opportunity to present argument and rebuttal.

The following rationale and recommendation of this Fact-Finder will be based upon the arguments and exhibits submitted, even those not specifically referred to in this document.

STATEMENT OF IMPASSE ITEM

The parties presented one impasse item only to the Fact-Finder. The positions of the parties with respect to this impasse item are as follows;

PERCENT WAGE INCREASE FOR THE SUPPORT STAFF

The Association's final proposal is to increase hourly wages for the entire unit by 6.25%, effective July 1, 2006.

The District's final proposal is to increase hourly wages for the entire unit by 3.40%, effective July 1, 2006.

FINDINGS OF FACT AND RECOMMENDATION

STATUTORY CRITERIA

As in arbitration, Fact-Finders in the state of Iowa traditionally refer to the criteria set forth for arbitrators in Section 22.9 of the Act. That statutory Section provides as follows:

The arbitrator or panel shall consider, in addition to other relevant factors, the following factors;

1. Past collective bargaining contracts between the parties, including the bargaining that lead up to such contracts.
2. Comparison of wages, hours and conditions of employment of the involved public employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.
5. Any other relevant factors.

Statutory fact-finders under Iowa Code 20.21 have generally used these same factors in formulating recommendations. Subject to these provisions, this Fact-Finder recommends as follows:

DISCUSSION:

In analyzing the evidence presented in view of the Iowa statutory criteria, the following is discussed.

A. **Bargaining History** The Cardinal Support Personnel Association (CSPA) was certified by PERB as the exclusive bargaining representative for the Cardinal CSD support staff employees on July 3, 1992. This unit consists of all full and part-time non-certified employees of the Cardinal CSD. Job classifications included in the bargaining unit are bus drivers, custodians, food service employees, secretaries, teacher aides, and transportation supervisor/head mechanic. At the time costing was agreed upon, (March 2006), the unit consisted of 7 bus drivers, 3 custodians, 2 head custodians, 5 cooks, 1 transportation dir./head mechanic. For a total of 40 bargaining unit personnel.

The Association has not presented bargaining history as an item for discussion in this impasse. The District's #10 shows that in the previous contract, the different classifications received differing percent wage increases, ranging from 2.4% for regular route bus drivers to 3.4% for secretaries. Neither party has suggested there be any differences other than that which will occur as a result of a percent wage increase.

B. **Comparability**. The parties did not stipulate to any agreed on comparability group, nor was any comparability group offered which had previously been used by the parties in earlier negotiations.

The comparability group of the District for the Associate salaries (Dist. #12) uses Eddyville/Blakesburg, Sigourney, Davis County, Belle Plaine, and Eastern Allamakee for comparison purposes. Also referred to are two unorganized districts that are contiguous, rural, and same conference, Pekin and Van Buren (Dist.#15). For aides, the same group is used as shown in Dist.#12. (Dist. # 13 & 14) For the other classifications of Cooks, Custodians, Secretaries, and Bus Drivers, the District used the same two comparability groups (Dist.#16, 117, & 18).

With the exception of Eastern Allamakee, the District's comparability group is located in southeast Iowa. Enrollment size ranges from 504 in Eastern Allamakee to 1,680 in Davis County. Pekin and Van Burin, while being in close proximity to Cardinal, and having enrollments of 739 - 751, and not organized districts (Dist.#11)

The Association uses two comparability groups. The first is a 5 UP/DOWN method using Cardinal enrollment as the middle value and the next five larger in enrollment above and the next five smaller in enrollment below. The result of using this method is that some of the districts are in north east and north central Iowa. The second uses districts in a 50 mile radius. Both groups only show PERB certified districts.

Looking at the Associations 5 UP/DOWN group and the 50 mile radius group, only four of the districts also appear on the District's comparability group. In making comparability decisions, school both of similar size and proximity to Cardinal, are those generally used by neutrals in making comparability decisions. The 50 mile radius group falls short having only three, maybe four districts close to Cardinal in enrollment.

Also making comparability difficult here, is the fact that these support staff classifications do not have any steps in their pay scale, nor a longevity method of wage increase. Also, in previous contracts the parties have paid in cents per hour rather than across the board percent increases, and paid differing amounts for some classifications. With the current positions of the parties, using a percent increase, the differing groups will be getting different pay raises based on the actual cents per hour increase this generates. Not known is whether, in the past, the parties have attempted to change this current method of wage increase for these groups, instituting some form of graduated increases.

In an attempt at comparison, the Association looks at minimum and maximum pay for the different groups, which, of course, in the Cardinal district the minimum is high and the maximum low (depending of course on the comparables being used), an expected result of having only one pay step for each classification. The District asserts that this method does not show the true picture and uses averages in some of its exhibits. ER #15, 17, 18).

This Fact-Finder, after studying all three comparability groups presented believes the group most representative would be Sigourney, Waco, Eddysville-Eddyvill-Blakesburg, Belle Plain, and Davis County. All of these school districts are regionally close to Cardinal, and, with the exception of Davis County, are all close in total enrollment and are organized schools. Most of these districts appear on both the District's and the Associations comparability lists.

C. Ability to Pay There is a wide disparity of opinion between the parties regarding the ability of the district to afford the Association's wage proposal.

The District claims that this is an economically stressed area, going back to the bankruptcy of Rock Island Railroad, which was a major employer in the area. The total property tax valuation has dropped from \$98,353,884 to \$89,195,878 over the last four years. The new money, \$121,396 is reduced by \$73,330 which has been lost to other districts. The District believes it needs to have a 5% solvency ratio to be financially healthy, and is currently below that number. Dist.#9 shows the current solvency ratio as 3.1% and reads that "range of recommended solvency ratios anywhere between 5 and 15% are considered "excellent". Since the District states that the actual new spending dollars is only \$48,066, and not \$121,396, the District believes that the true increase is not #3.63%, but 1.437%. The District asserts that all earmarked Special Ed money has been spent in obtaining a vehicle for the transportation of a special ed student.

The Association, rebutting the solvency issue, states that a solvency ratio of 0 to 4.99 is considered acceptable and a ratio of 0 to -3 is considered a solvency alert. Further they state that this solvency ratio of the District at this time is better than many districts they represent and these districts are receiving increases that are in line with state of Iowa averages for this season. The Association contends that in looking at the cost of their proposal, it must be considered that; 1. Food service employees are paid from a separate Nutrition Fund. 2. All aides except Sam Chickering, Roxy Kern, Emma Lane, and Sherry VanBlaircom can be paid from earmarked Special Education Funds. And, 3. With these facts in mind the actual difference between the dollar increase of the District's and the Associations proposals is \$11,119. Further, regarding the issue of Special Ed money, the Association contends there is a \$21,372 carover (FY05-FY06)

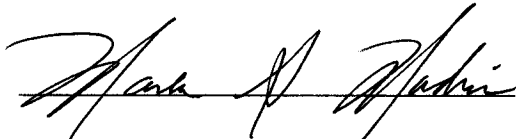
D. Other Relevant Factors.

This Fact-Finder sees the need to look at two other relevant factors in making a recommendation to the parties. First, traditionally, Fact-Finder and Arbitrators making recommendations and/or decisions governing Iowa public sector bargaining units have considered average state settlements among education groups. Second, going along with the first, is the consideration of the impact the wage settlement will have on the percentage of the entire package agreement.

RECOMMENDATION

Based upon the comparability and the ability to pay data, along with the other relevant factors, the Fact-Finder recommends a wage percent increase of 5.20%. This wage increase brings the total package amount to approximately 4.67%. Using package agreements in the comparability group of Sigourney, Waco, Eddysville/Blakesburg, Belle Plain, and Davis County, the average settlement is approximately 4.8% for total package. State settlement averages as of May 18, 2006 are 4.93% (ISEA) and 4.75% (IASB). This recommended increase is in line with the historical trend and with other known negotiated increases in the comparability group. While the District made a case for financial difficulty, Association rebuttal was convincing in showing the difference to be affordable, and this recommendation falls below the Associations proposal which was shown to be only a \$11,000 difference between their proposal and that of the District.

This recommendation is based upon the above standards provided under the Iowa Code. This Fact-Finder is hopeful that this report, along with its recommendation, will be a starting point in agreement between the parties without further proceedings.



MARLA A. MADISON

Fact-Finder

June 7, 2006

Chetek, WI 54728

CERTIFICATE OF SERVICE

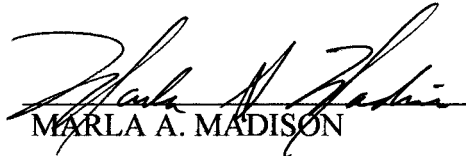
I hereby certify that on June 7, 2006, I sent a copy of the above report and recommendation to the following parties by mailing a copy to them at their respective addresses shown below.

Public Employment Relations Board
510 E 12th Street, Ste. 1B
Des Moines, IA 50319

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Eldon, IA 52554

Carol Haupt
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